Walden Research Japan

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Cypress Holdings (428A)

Consolidated Fiscal Year (IFRS) (Million Yen)		Revenue	Operating profit	Profit before tax	Profit attributable to owners of parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
FY08/2024		10,256	444	298	169	13.30	-	148.71
FY08/2025		11,288	765	647	436	34.27	-	183.33
FY08/2026CoE		12,300	850	745	520	40.80	10.00	-
FY08/2025	YoY	10.1%	72.2%	116.8%	157.7%	-	-	-
FY08/2026CoE	YoY	9.0%	11.1%	15.0%	19.1%	-	-	-

Consolidated Q1 to Q3 (IFRS) (Million Yen)		Revenue	Operating profit	Profit before tax	Profit attributable to owners of parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
Q1 to Q3 FY08/2025		8,157	494	404	264	-	-	-
Q1 to Q3 FY08/2026		9,361	589	499	325	-	-	-
Q1 to Q3 FY08/2026	YoY	14.8%	19.1%	23.4%	22.8%	-	-	-

Source: Company data; calculations by WRJ

1.0 Results Update (15 July 2026)

Accelerating the Execution of the Growth Strategy

On 10 July 2026, Cypress Holdings, which aims to drive growth and expansion in the everyday dining-out market, held an online results briefing for Q1 to Q3 (September–May) FY08/2026. The briefing made clear that tangible progress is being achieved in the growth strategy pursued by the Company to date, particularly through the acceleration of new openings of directly managed stores. Against the initial full-year plan of 10 new store openings, 18 have now been confirmed. This progress is also being supported by the expansion of store-opening locations into roadside sites, in addition to conventional locations such as shopping centers. For FY08/2027, the Company has announced a target of 30 new store openings. Although customer traffic at existing stores temporarily fell below the year-earlier level, the Company is working to improve performance through format conversions at underperforming stores, menu revisions and the strengthening of staffing structures and customer-service hospitality. In addition, it is preparing franchise agreements with multiple mega-franchisees for the rollout of the charcoal-grilled yakitori takeout "Ginza Souzaiten," while also considering M&A initiatives, including the establishment of a dedicated organization. In other words, while positioning the expansion of directly managed stores as the core of its growth strategy by leveraging its seafood procurement capabilities, operational capabilities and relationships with developers (operators responsible for the development and management of shopping centers, such as AEON Mall), the Company is moving its growth strategy into the execution phase by adding new store-location channels and operating formats. The Company is also currently formulating a medium-term management plan and is to disclose its details on 19 August 2026.

Reference for business model, etc.: Cypress Holdings (428A) Diversification of Store Formats (25 May 2026)

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2.0 Company Profile

Pursuing "Excitement and Joy" in Everyday Dining

Company Name	Cypress Holdings Co., Ltd. Company Website (Japanese) Investor Relations (Japanese) Share price (Japanese)
Established	26 July 2019
Listing	8 October 2025: Tokyo Stock Exchange Standard Market (ticker: 428A)
Capital	¥45m (as of the end of May 2026)
No. of Shares	12,744,600 shares (as of the end of May 2026)
Main Features	● Operates directly managed everyday dining restaurants at suburban shopping centers across Japan ● In addition to its multi-brand strategy, preparing to launch franchise operations ● Possesses integrated strengths spanning seafood procurement, operational capabilities and store development
Representative	Representative Director: Toshiya Higashi
Shareholders	EAM Co., Ltd. 44.95%, Marunouchi Capital No.2 Investment Limited Partnership 19.19%, Toshiyuki Higashi 4.94%, Mitsubishi UFJ eSmart Securities Co., Ltd. 2.08%, ASAHI BREWERIES, LTD. 2.00%, MSIP CLIENT SECURITIES 0.66% (as of the end of February 2026)
Head Office	Minato-ku, Tokyo
No. of Personnel	Consolidated: 432 (as of the end of February 2026)

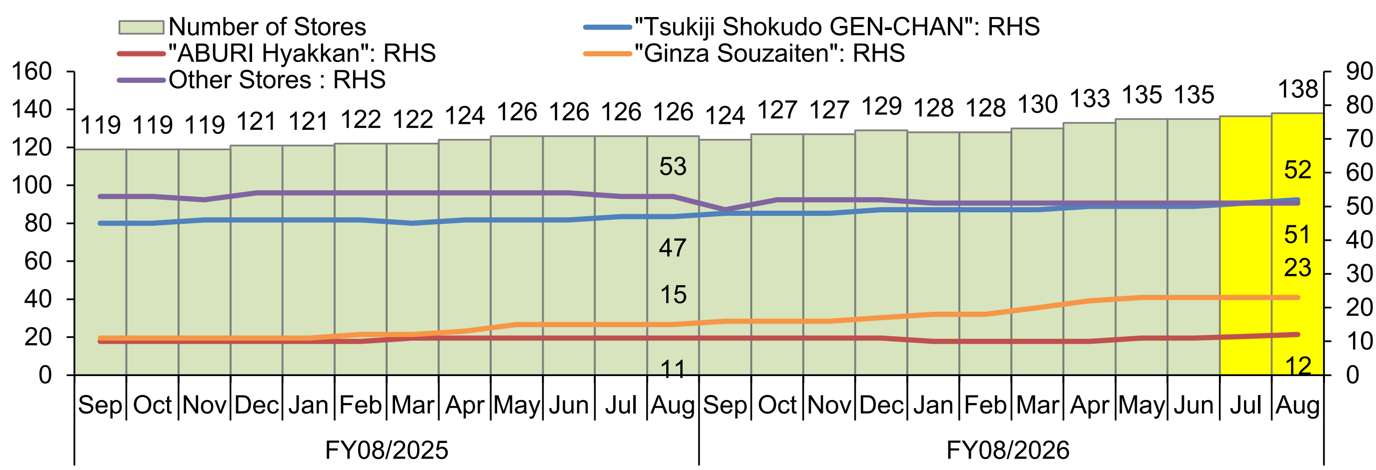
Source: Company data

3.0 Recent Trading and Prospects

Q1 to Q3 (September-May) FY08/2026

In Q1 to Q3 (September–May) FY08/2026, revenue came in at ¥9,361m (up 14.8% YoY), operating profit ¥589m (up 19.1%), profit before tax ¥499m (up 23.4%) and profit attributable to owners of parent ¥325m (up 22.8%), while operating profit margin 6.3% (up 0.2% point). The 14.8% revenue growth comprised a 12.2% increase in customer traffic and a 2.5% increase in average spending per customer on an all-store basis. On a same-store basis, despite a 0.5% decline in customer traffic, a 3.5% increase in average spending per customer resulted in revenue growth of 3.0%.

Trend in the Number of Directly Managed Stores



Source: Company data

In other words, the substantial revenue and profit growth was attributable to the impact from new store openings. According to the Company's analysis of factors for changes in operating profit, the Impact from New Store Openings contributed ¥203m to profit growth, representing the largest positive factor. In particular, the number of stores operated under the charcoal-grilled yakitori takeout "Ginza Souzaiten" is expected to increase by 8 from the previous fiscal yearend by the end of FY08/2026, and the format also appears to have contributed significantly to the expansion of new store openings in Q1 to Q3 (September–May).

The charcoal-grilled yakitori takeout "Ginza Souzaiten" operates in small stores without customer seating and is therefore a format for which the investment capital required for new openings can be kept relatively low. In addition, multiple stores have reportedly achieved monthly revenue higher than that of comparable stores operated by typical industry peers, and in some cases profitability is said to exceed that of the Company's other core formats, the seafood restaurant "Tsukiji Shokudo GEN-CHAN" and the conveyor belt sushi "ABURI Hyakkan." In light of this low-investment, high-profit store model, the Company plans to promote franchise expansion for the charcoal-grilled yakitori takeout "Ginza Souzaiten." By horizontally expanding the operational expertise established through its directly managed stores with low risk, the Company aims to simultaneously enhance growth speed, capital efficiency and cash flow.

In Q1 to Q3 (September–May), the Impact from Higher Average Spending per Customer at Existing Stores also contributed ¥44m to profit growth, while several negative factors were recorded. Temporary Expenses Related to New Store Openings reduced profit by ¥69m, the Impact from Store Closures reduced profit by ¥57m, Corporate Expenses and Other reduced profit by ¥20m and the Impact from Customer Traffic at Existing Stores reduced profit by ¥6m. Although the acceleration of new store openings resulted in a substantial temporary cost burden and the impact of store closures was also significant, positive factors led by the Impact from New Store Openings outweighed these negative factors, resulting in operating profit rising from ¥494m in the same period of the previous year to ¥589m.

In Q1 to Q3 (September–May), the Company opened 14 new stores and closed 5, resulting in 135 stores as of the end of Q3, up 9 from 126 as of the previous fiscal yearend. For the full year, 18 new store openings have now been confirmed, compared with the initial plan of 10. The number of store closures remains projected at 6, in line with the initial plan, and the number of stores as of the fiscal yearend is expected to reach 138, up 12 from the previous fiscal yearend. Although revenue is also expected to exceed the initial forecast due to the higher-than-planned number of new store openings, the associated temporary opening-related expenses will increase accordingly, limiting the potential upside at the operating profit level.

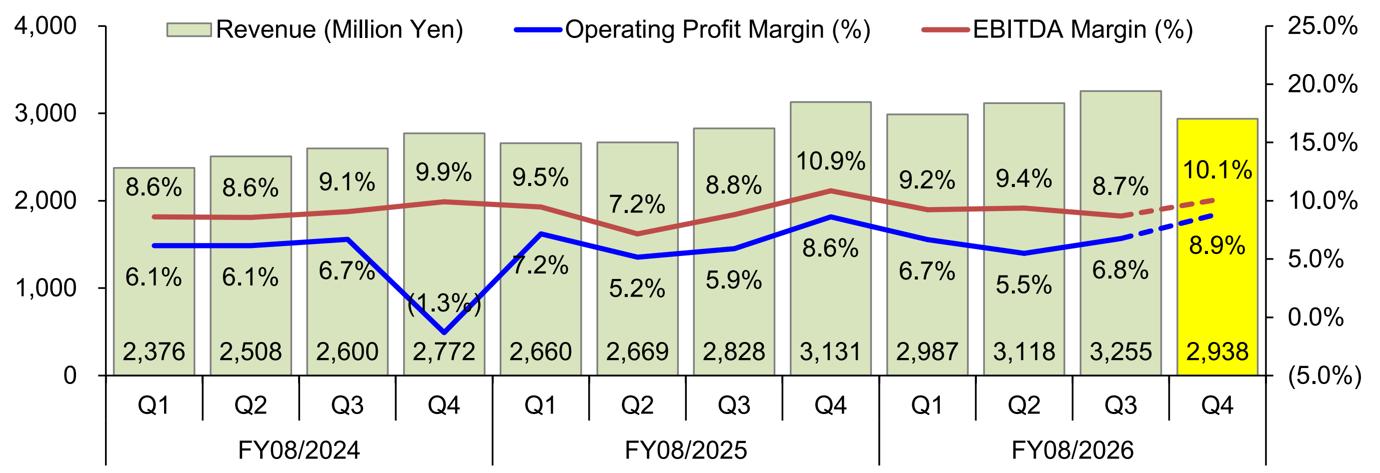
Toward the fiscal yearend, the roadside expansion of the seafood restaurant "Tsukiji Shokudo GEN-CHAN" has been confirmed. Specifically, the Company plans to open a store along a main road in Kofu-city, Yamanashi-prefecture in August 2026. This will be the Company’s first initiative to broaden its store-opening locations beyond conventional sites such as shopping centers. Several additional roadside projects are also progressing toward FY08/2027, raising expectations for further expansion of this new store-opening channel.

For FY08/2027, the Company has announced a policy of increasing new store openings to 30 for the full year, with candidate sites for 21 stores already secured. The Company intends to proceed with store openings in the first half of the fiscal year to maximize their earnings contribution during the fiscal year. In addition, the Company is progressing with the franchise rollout of the charcoal-grilled yakitori takeout "Ginza Souzaiten" and the development of an organizational structure to promote M&A. While accelerating new openings of directly managed stores remains the core strategy, the Company is broadening its growth potential through the diversification of operating formats.

Company Forecast for FY08/2026

The initial Company forecast for FY08/2026, announced on 15 October 2025, has remained unchanged, going for prospective revenue of ¥12,300m (up 9.0% YoY), operating profit of ¥850m (up 11.1%), profit before tax of ¥745m (up 15.0%) and profit attributable to owners of parent of ¥520m (up 19.1%), while operating profit margin of 6.9% (up 0.1% point). The planned annual dividend also remains unchanged at ¥10.00 per share for FY08/2026, yearend only, representing a payout ratio of 24.4%.

Revenue, Operating Profit Margin and EBITDA Margin



Source: Company data; calculations by WRJ

In June, after entering Q4 (June–August), revenue on an all-store basis increased 9.8% YoY, customer traffic increased 7.4% and average spending per customer increased 2.4%, indicating that revenue growth driven by the impact from new store openings is continuing. On a same-store basis, however, revenue declined 3.3% YoY, customer traffic declined 5.5% and average spending per customer increased 2.2%, reflecting the impact of the number of holidays and unfavorable weather caused by a typhoon and the rainy season.

4.0 Financial Statements

Statement of Profit or Loss (Cumulative / Quarterly)

Statement of Profit or Loss (Million Yen)	Cons.Act Q1 08/2025	Cons.Act Q1 to Q2 08/2025	Cons.Act Q1 to Q3 08/2025	Cons.Act Q1 to Q4 08/2025	Cons.Act Q1 08/2026	Cons.Act Q1 to Q2 08/2026	Cons.Act Q1 to Q3 08/2026	Cons.Act Q1 to Q4 08/2026	YoY Net Chg.
Revenue	**2,660**	**5,329**	**8,157**	**11,288**	**2,987**	**6,105**	**9,361**	**-**	**+1,204**
Cost of revenue	904	1,837	2,815	3,893	1,028	2,114	3,245	-	+430
Gross profit	1,755	3,491	5,342	7,395	1,958	3,990	6,116	-	+773
SG&A expenses	1,567	3,164	4,820	6,584	1,751	3,615	5,521	-	+701
Other income and expenses (net)	2	0	(27)	(45)	(8)	(5)	(4)	-	+22
Operating profit	**190**	**328**	**494**	**765**	**198**	**369**	**589**	**-**	**+94**
Financial income and costs (net)	(25)	(58)	(90)	(117)	(26)	(54)	(90)	-	+0
Profit before tax	**165**	**269**	**404**	**647**	**171**	**314**	**499**	**-**	**+94**
Income tax expenses	57	93	140	211	58	109	174	-	+34
Profit	**108**	**176**	**264**	**436**	**113**	**205**	**325**	**-**	**+60**
Profit attributable to owners of parent	**108**	**176**	**264**	**436**	**113**	**205**	**325**	**-**	**+60**
Revenue YoY	+12.0%	+9.1%	+9.0%	+10.1%	+12.3%	+14.6%	+14.8%	-	-
Operating profit YoY	+30.8%	+9.4%	+3.0%	+72.2%	+4.3%	+12.6%	+19.1%	-	-
Profit before tax YoY	+53.6%	+17.0%	+7.1%	+116.8%	+3.9%	+16.8%	+23.4%	-	-
Profit YoY	+54.6%	+17.7%	+7.1%	+157.7%	+4.9%	+16.5%	+22.8%	-	-
Profit attributable to owners of parent YoY	+54.6%	+17.7%	+7.1%	+157.7%	+4.9%	+16.5%	+22.8%	-	-
Gross profit margin	66.0%	65.5%	65.5%	65.5%	65.6%	65.4%	65.3%	-	(0.2%)
SGA ratio	58.9%	59.4%	59.1%	58.3%	58.6%	59.2%	59.0%	-	(0.1%)
Operating profit margin	7.2%	6.2%	6.1%	6.8%	6.7%	6.1%	6.3%	-	+0.2%
Profit before tax margin	6.2%	5.1%	5.0%	5.7%	5.8%	5.2%	5.3%	-	+0.4%
Profit margin	4.1%	3.3%	3.2%	3.9%	3.8%	3.4%	3.5%	-	+0.2%
Profit attributable to owners of parent margin	4.1%	3.3%	3.2%	3.9%	3.8%	3.4%	3.5%	-	+0.2%
Corporate Tax Rate	34.6%	34.6%	34.6%	32.6%	34.0%	34.8%	34.9%	-	+0.3%

Statement of Profit or Loss (Million Yen)	Cons.Act Q1 08/2025	Cons.Act Q2 08/2025	Cons.Act Q3 08/2025	Cons.Act Q4 08/2025	Cons.Act Q1 08/2026	Cons.Act Q2 08/2026	Cons.Act Q3 08/2026	Cons.Act Q4 08/2026	YoY Net Chg.
Revenue	**2,660**	**2,668**	**2,828**	**3,130**	**2,987**	**3,118**	**3,255**	**-**	**+427**
Cost of revenue	904	932	977	1,077	1,028	1,086	1,130	-	+152
Gross profit	1,755	1,735	1,850	2,053	1,958	2,032	2,125	-	+274
SG&A expenses	1,567	1,596	1,656	1,764	1,751	1,863	1,906	-	+250
Other income and expenses (net)	2	(1)	(27)	(18)	(8)	2	1	-	+29
Operating profit	**190**	**137**	**166**	**270**	**198**	**170**	**219**	**-**	**+53**
Financial income and costs (net)	(25)	(33)	(31)	(27)	(26)	(28)	(35)	-	(4)
Profit before tax	**165**	**104**	**135**	**242**	**171**	**142**	**184**	**-**	**+49**
Income tax expenses	57	36	46	70	58	51	64	-	+17
Profit	**108**	**68**	**88**	**171**	**113**	**91**	**119**	**-**	**+31**
Profit attributable to owners of parent	**108**	**68**	**88**	**171**	**113**	**91**	**119**	**-**	**+31**
Revenue YoY	+12.0%	+6.4%	+8.8%	+12.9%	+12.3%	+16.9%	+15.1%	-	-
Operating profit YoY	+30.8%	(10.5%)	(4.3%)	-	+4.3%	+24.0%	+32.1%	-	-
Profit before tax YoY	+53.6%	-	-	-	+3.9%	+37.3%	+36.4%	-	-
Profit YoY	+54.6%	(26.8%)	+9.3%	-	+4.9%	+35.0%	+35.5%	-	-
Profit attributable to owners of parent YoY	+54.6%	(26.8%)	+9.3%	-	+4.9%	+35.0%	+35.5%	-	-
Gross profit margin	66.0%	65.1%	65.4%	65.6%	65.6%	65.2%	65.3%	-	(0.2%)
SGA ratio	58.9%	59.8%	58.6%	56.3%	58.6%	59.8%	58.6%	-	+0.0%
Operating profit margin	7.2%	5.2%	5.9%	8.6%	6.7%	5.5%	6.8%	-	+0.9%
Profit before tax margin	6.2%	3.9%	4.8%	7.8%	5.8%	4.6%	5.7%	-	+0.9%
Profit margin	4.1%	2.6%	3.1%	5.5%	3.8%	2.9%	3.7%	-	+0.6%
Profit attributable to owners of parent margin	4.1%	2.6%	3.1%	5.5%	3.8%	2.9%	3.7%	-	+0.6%
Corporate Tax Rate	34.6%	34.6%	34.6%	29.2%	34.0%	35.7%	35.1%	-	+0.5%

Source: Company data; calculations by WRJ

Statement of Financial Position (Quarterly)

Statement of Financial Position (Million Yen)	Cons.Act Q1 08/2025	Cons.Act Q2 08/2025	Cons.Act Q3 08/2025	Cons.Act Q4 08/2025	Cons.Act Q1 08/2026	Cons.Act Q2 08/2026	Cons.Act Q3 08/2026	Cons.Act Q4 08/2026	YoY Net Chg.
Cash and cash equivalents	-	-	488	893	748	802	608	-	+119
Trade and other receivables	-	-	822	977	874	792	1,000	-	+178
Inventories	-	-	56	46	51	62	56	-	(0)
Other financial assets	-	-	8	8	8	9	10	-	+1
Other current assets	-	-	49	76	70	60	53	-	+3
Total current assets	**-**	**-**	**1,426**	**2,002**	**1,753**	**1,728**	**1,728**	**-**	**+302**
Property, plant and equipment	-	-	3,335	3,212	3,279	3,643	4,206	-	+870
Goodwill	-	-	5,365	5,365	5,365	5,365	5,365	-	0
Intangible assets	-	-	16	15	14	13	12	-	(4)
Other financial assets	-	-	743	753	763	796	790	-	+46
Deferred tax assets	-	-	152	163	163	163	163	-	+11
Other non-current assets	-	-	1	1	1	0	0	-	(0)
Total non-current assets	**-**	**-**	**9,615**	**9,512**	**9,589**	**9,984**	**10,539**	**-**	**+923**
Total assets	**-**	**-**	**11,042**	**11,514**	**11,343**	**11,712**	**12,268**	**-**	**+1,225**
Borrowings	-	-	913	976	981	822	3,189	-	+2,275
Lease liabilities	-	-	736	708	722	787	824	-	+88
Trade and other payables	-	-	739	874	793	812	1,060	-	+320
Other financial liabilities	-	-	56	63	56	43	63	-	+6
Income taxes payable	-	-	47	129	58	109	62	-	+14
Provisions	-	-	-	25	18	10	10	-	+10
Other current liabilities	-	-	437	459	501	486	492	-	+54
Total current liabilities	**-**	**-**	**2,932**	**3,238**	**3,131**	**3,073**	**5,703**	**-**	**+2,771**
Borrowings	-	-	3,757	3,935	3,678	3,840	1,385	-	(2,372)
Lease liabilities	-	-	1,392	1,278	1,335	1,478	1,700	-	+308
Provisions	-	-	800	726	743	769	803	-	+3
Deferred tax liabilities	-	-	0	-	-	-	-	-	(0)
Other non-current liabilities	-	-	0	0	-	-	-	-	(0)
Total non-current liabilities	**-**	**-**	**5,950**	**5,940**	**5,757**	**6,088**	**3,889**	**-**	**(2,061)**
Total liabilities	**-**	**-**	**8,882**	**9,178**	**8,888**	**9,161**	**9,592**	**-**	**+710**
Share capital	-	-	45	45	45	45	45	-	0
Capital surplus	-	-	8,491	8,496	8,500	8,505	8,510	-	+18
Retained earnings	-	-	(6,376)	(6,204)	(6,091)	(5,999)	(5,879)	-	+497
Total equity attributable to owners of parent	**-**	**-**	**2,160**	**2,336**	**2,454**	**2,551**	**2,675**	**-**	**+515**
Total equity	**-**	**-**	**2,160**	**2,336**	**2,454**	**2,551**	**2,675**	**-**	**+515**
Total liabilities and equity	**-**	**-**	**11,042**	**11,514**	**11,343**	**11,712**	**12,268**	**-**	**+1,225**
Equity attributable to owners of parent	-	-	2,160	2,336	2,454	2,551	2,675	-	+515
Interest-bearing debt	-	-	4,671	4,912	4,660	4,662	4,574	-	(96)
Net debt	-	-	4,182	4,018	3,912	3,860	3,966	-	(216)
Equity ratio	-	-	19.6%	20.3%	21.6%	21.8%	21.8%	-	-
Net debt-to-equity ratio	-	-	193.7%	172.0%	159.4%	151.3%	148.3%	-	-
ROE (12 months)	-	-	-	20.6%	-	-	20.6%	-	-
ROA (12 months)	-	-	-	5.8%	-	-	6.4%	-	-
Quick ratio	-	-	45%	58%	52%	52%	28%	-	-
Current ratio	-	-	49%	62%	56%	56%	30%	-	-

Source: Company data; calculations by WRJ

Statement of Cash Flows (Cumulative / Quarterly)

Statement of Cashflows (Million Yen)	Cons.Act Q1 08/2025	Cons.Act Q1 to Q2 08/2025	Cons.Act Q1 to Q3 08/2025	Cons.Act Q1 to Q4 08/2025	Cons.Act Q1 08/2026	Cons.Act Q1 to Q2 08/2026	Cons.Act Q1 to Q3 08/2026	Cons.Act Q1 to Q4 08/2026	YoY Net Chg.
Cashflows from operating activities	234	614	813	1,310	356	830	1,202	-	+388
Cashflows from Investing activities	(58)	(122)	(353)	(491)	(43)	(267)	(524)	-	(171)
Cashflows from operating and investing activities	**176**	**492**	**460**	**818**	**312**	**563**	**677**	**-**	**+217**
Cashflows from financing activities	(449)	(691)	(530)	(484)	(458)	(654)	(962)	-	(431)

Statement of Cashflows (Million Yen)	Cons.Act Q1 08/2025	Cons.Act Q2 08/2025	Cons.Act Q3 08/2025	Cons.Act Q4 08/2025	Cons.Act Q1 08/2026	Cons.Act Q2 08/2026	Cons.Act Q3 08/2026	Cons.Act Q4 08/2026	YoY Net Chg.
Cashflows from operating activities	234	379	199	496	356	474	371	-	+171
Cashflows from Investing activities	(58)	(63)	(231)	(137)	(43)	(224)	(257)	-	(25)
Cashflows from operating and investing activities	**176**	**315**	**(31)**	**358**	**312**	**250**	**114**	**-**	**+146**
Cashflows from financing activities	(449)	(242)	160	46	(458)	(195)	(308)	-	(468)

Source: Company data; calculations by WRJ

Disclaimer

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